

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

JANE STREET GROUP, LLC,

*Plaintiff,*

v.

MILLENNIUM MANAGEMENT LLC,  
DOUGLAS SCHADEWALD, and DANIEL  
SPOTTISWOOD,

*Defendants.*

Case No. 24-CV-02783

**Oral Argument Requested**

**PUBLIC VERSION**

**MICHAEL ASMAR’S DECLARATION IN SUPPORT OF DEFENDANTS’ OPPOSITION  
TO PLAINTIFF’S MOTION FOR A TEMPORARY RESTRAINING ORDER**

I, MICHAEL ASMAR, pursuant to 28 U.S.C. § 1746 and upon penalty of perjury, hereby  
declare as follows:

1. I am employed by an affiliate of Defendant Millennium Management, LLC  
 (“Millennium”) as Global Head of Volatility Strategies. I submit this declaration in  
 support of Defendants’ opposition to Plaintiff’s motion for a temporary restraining order.  
 This declaration is based upon my personal knowledge.
2. I joined Millennium in 2022 after 17 years at Morgan Stanley, most recently as Managing  
 Director in the Institutional Equity Division. Before this I was the Head Risk Trader on  
 several different Equity Derivatives books, and assumed oversight of US Exotic  
 Derivatives Trading in 2020. I also ran the US Equity Index Derivatives Trading  
 business from 2015 to 2020. I received a BS in Mathematical and Computational  
 Sciences from Stanford University.

3. Millennium is a U.S. registered investment adviser firm headquartered in New York which trades in securities markets and various other asset classes around the world on behalf of the investment funds that it advises. Founded in 1989, it is one of the most respected trading firms in the world and has over \$60 billion under management. While Millennium is constantly evolving, its business is driven by specialized portfolio management teams that identify and pursue opportunities according to their specialties and within a risk framework established by Millennium that is tailored to the portfolio management team's strategies. Portfolio managers are overseen by experienced executives who manage the firm's various business units corresponding to the firm's primary strategies.
4. I am the firm's Global Head of Volatility Arbitrage and oversee options volatility arbitrage strategies within the firm's Global Equities business. In this capacity, I oversee the portfolio managers who trade primarily on volatility. They utilize strategies in a variety of markets all over the world, including India. These include strategies focused on option volatility and index arbitrage in various jurisdictions. One of my mandates at Millennium has been to expand our volatility arbitrage business.
5. Prior to 2024, Millennium traded in markets across India, including the options markets. In order to do so, Millennium made a significant investment to build the legal and technical infrastructure necessary to trade securities, including options, in India. To that end, one of our affiliates obtained regulatory approval in 2016 to engage in Foreign Portfolio Investment (FPI), which allows a non-Indian entity to hold Indian securities and other financial assets. We also have established relationships with a number of brokers

registered to conduct business in India, including [REDACTED]. These relationships pre-date my arrival to Millennium in 2022.

6. I have been aware for some time of the growth in the India options market. In 2023, I began focusing on it as a potential area of growth for the business I oversee given coverage in the press and in industry sources focusing on the market's size and volatility. One article in particular I recall was by the Axis Mutual Fund. It remains available online.<sup>1</sup> [REDACTED]  
[REDACTED]
7. I received a presentation in late November 2023 titled "India Business Opportunities" which explored how we might expand our options trading in India to take advantage of the substantial growth of the Indian options market and the volatility in the market, which creates opportunity for profitable trading by the portfolio managers that are part of the business that I oversee. I also spoke with colleagues at Millennium with significant prior experience in the Indian securities markets to try to understand the Indian options market better. My research led me to believe that the Indian options market presented an attractive opportunity for expansion by Millennium.
8. Looking for additional resources in India, in December 2023, I interviewed an Indian options trader at a firm based in Mumbai as part of our efforts to explore that market. The firm traded options extensively and could have been a good fit, but ultimately we decided not to pursue the candidate.

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<sup>1</sup> <https://www.axismf.com/cms/sites/default/files/pdf-factsheets/ACUMEN%20Gamification%20of%20Indian%20Equities.pdf>

[REDACTED]

9. In November and December 2023, Millennium was also pursuing other candidates with experience in the Indian options market, but these did not come to fruition for various reasons.
10. I first met Douglas Schadewald approximately 10 years ago when I was at Morgan Stanley and he worked at Barclays. I had interviewed him for a position at Morgan Stanley due to his strong reputation in the market and thought he was very talented. We have remained professional acquaintances since then.
11. When I joined Millennium approximately two years ago, I reached out to Schadewald, who by then had joined Jane Street a number of years earlier. In 2022, he said he was very happy where he was and was not interested in leaving.
12. In late 2023, Schadewald and I reconnected. He indicated that he was more open to a new role because he was not getting compensated adequately at Jane Street. At the time, I did not know that Schadewald was trading in the Indian options market at Jane Street. I only knew that he was an extremely talented trader with deep experience in US and various non-US option markets whom I had tried to hire before and now wanted to hire again.
13. I formally interviewed Schadewald in January 2024. I remained impressed by his talent and his initiative and believed that he would be a great fit to be a portfolio manager at Millennium given our entrepreneurial culture and his approach to trading and risk management.
14. Millennium made an offer to Schadewald to join the firm, and he joined on February 12, 2024.

15. Schadewald's compensation is structured similarly to other portfolio managers at Millennium. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] In addition, Schadewald is entitled to a guaranteed floor on his compensation for a period of time which I believe is in line with his annual compensation at Jane Street and was designed, in part, to compensate him for the loss of his equity participation at Jane Street. This is a common feature of the economic arrangement for new joiners at Millennium and many other asset management and other financial services firms. Schadewald is paid within the range of other traders at Millennium and at other firms in our industry.

16. I understand that Jane Street asserts that Schadewald's pay package is larger than the industry norm, implying some ill motive on the part of Millennium. Nothing could be further from the truth. The compensation philosophy at Millennium is to compensate for performance, and entrepreneurial portfolio managers appreciate the opportunity to bet on themselves. Jane Street may have a different philosophy, but the suggestion that Millennium was out to buy Jane Street confidential information with what is an industry standard pay package for someone with similar skills and experience is simply wrong.

17. Millennium goes to great lengths to educate its new employees regarding confidentiality obligations. Our employment agreements, including the Schadewald and Spottiswood agreements, contain representations and commitments confirming that they will not use confidential information or intellectual property of former employers. We also require new employees to take compliance training on confidentiality and intellectual property.

Schadewald and Spottiswood completed that training shortly after coming on board. The firm has strict policies prohibiting employees from bringing third party material into the firm or onto its systems without a thorough review and approval, and has put in place technological and other measures designed to prevent employee from doing so.

18. In Schadewald's case, his and our expectation is that over time he will trade in markets all over the world, as he has done at both of his prior employers. He has started with India, a market in which he has substantial prior experience and for which we already have existing infrastructure and brokerage relationships.
19. We understood that he would be employing fairly standard options volatility trading strategies similar to a number of other traders at Millennium and throughout the industry. He would not be using proprietary algorithms or automated trading. I oversee his team's trading and have observed nothing unusual or had any indication that the team has used any information from Jane Street.
20. In general, Schadewald's team pursues trades that are typically held for part of the day and closed the same day. The strategy being utilized by Schadewald and his team is used all over the industry and is hardly unique to the Indian market. While our scale in the Indian options market has increased significantly with Schadewald coming to the firm, there is nothing unique or proprietary about his trading activity.
21. To date, the returns generated by Schadewald's team have been modest. Through April 17, 2024, Schadewald's team generated approximately \$4 million in trading profit. This is roughly what we would expect given the amount of risk being deployed by his team and the recent characteristics of the market. As Schadewald is building a new team and business from scratch, it will take time to reach full potential. His and his team's success

in the Indian options market depends on identifying new opportunities and successfully navigating a very rapidly evolving market.

22. It is not plausible to me that Schadewald is using any proprietary strategies of Jane Street to conduct his trades. Based on my knowledge and review of his team's trading activity, he and Spottiswood are relying on their own experience, skill, and judgment, as well as available market data, to take positions on options and reacting to real-time changes in volatility. They are not relying on algorithms or automated signals to conduct their trades.

23. I also understand that Jane Street has suggested that there is something unusual or suspicious about Millennium organizing Schadewald's unit as a "pod" so that they can use Jane Street's trade secrets without spreading them throughout the firm. This assertion is completely false. Millennium's business is built on overseeing separate portfolio management teams utilizing diverse strategies and with responsibility for and compensation based on their own performance. This has proven to be a successful model for decades, and it is a common feature of many other asset management firms.

24. I also understand that Jane Street is seeking injunctive relief that would prevent Millennium from trading in the Indian options market. Such a restriction would cause substantial harm to Millennium. We would lose out on any profit that would have been generated during a trading halt and would incur losses in connection with any unwind of existing positions, and there is no way to quantify what that harm would be.

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I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

April 18, 2024  
New York, NY

DocuSigned by:  
*Michael Asmar*  
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MICHAEL ASMAR